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SUBJECT: GUYANA PREPARES TO ENTER BIO-ENERGY FIELD

¶1. (U) SUMMARY: Guyana recently hosted a two-day, regional agro-energy seminar to discuss the current world bio-energy market and the prospects of developing bio-fuel opportunities in Guyana, Barbados, and Jamaica. The Inter-American Development Bank (IDB) pledged US \$850,000 to Guyana to help jump-start the program. Many speakers applauded the U.S. - Brazil bio-fuels initiative as a good model for development assistance on bio-fuels and called for its expansion. END SUMMARY.

¶2. (U) On August 6th and 7th, Guyana and the IDB co-hosted the "High Level Seminar on Expanding Bio-Energy Opportunities in the Caribbean." The seminar, which commenced with key presentations from Guyana's President Bharrat Jagdeo and IDB President Luis Alberto Moreno, featured a dialogue on the organization and preparation of a regional agro-energy strategy. The seminar was also attended by Organization of American States (OAS) Assistant Secretary General Albert Ramdin and Inter American Institute for Cooperation on Agriculture (IICA) Director General Dr. Chelston Braithwaite. At the conclusion of the opening ceremony, the IDB signed a Memorandum of Understanding (MOU) with the Government of Guyana, CARICOM, OAS, and IICA to establish and support Caribbean renewable energy, energy efficiency, and bio-energy action programs.

¶3. (U) IDB's Moreno announced that Guyana will receive a US\$850,000 grant to screen potential investors and to build capacity in the bio-fuel/agro-energy sector. This grant is among many projects being funded under the IDB's Green Energy Program - a US\$300 million project disbursing grants and loans for sustainable energy programs and climate change initiatives. According to Moreno, a number of companies from Brazil, the United States, and India have indicated interest in investing in bio-fuel production in Guyana.

¶4. (U) In his speech to the conference, U.S. Charge d'Affairs Dr. Fenton Sands commented that "the prospects for economic growth and development in the region depend increasingly on unlocking valuable resources to supply reliable, affordable and clean energy." Pointing to the successful U.S. - Brazil bio-fuel program, Dr. Sands stated that CARICOM countries can also develop viable bio-energy agendas. Jeffrey Izzo, Energy Officer for the U.S. Department of State, also attended and gave remarks at the seminar. He called the conference "encouraging" and stated that "the tone here was much more proactive and forward looking" than previous bio-energy conferences in the region. Izzo felt that attracting sufficient private investment for the projects was the biggest challenge facing CARICOM nations, however he believed that the conference clearly showed to participants that each country could tailor a bio-fuels industry to meet its specific capacities and needs.

¶5. (U) COMMENT: Guyana's regional agro-energy conference

appears to have been quite successful. It accomplished its mission by further advancing the bio-energy agenda in the region and culminated in the signing of an MOU between major donors and CARICOM. Most importantly, it sent a key message to its Caribbean participants: that every country in the region can reap a worthwhile benefit from some type of bio-fuel industry. END COMMENT.
THOMAS